



Trading Update

PZ Cussons Plc (“the Group”) announces its trading update in respect of the half year to 30 November 2008.

First half trading

PZ Cussons is pleased to confirm that results for the first half of the financial year have been in line with management expectations, with improvements in both sales and profitability compared to the same period last year. The financial position of the Group remains strong with cash generation during the period also in line with expectations.

An update of performance and major projects in the Group’s two largest markets of UK and Nigeria is as follows:

Performance

In the UK, the launch of a significant number of new products in the first half of the year has ensured continued good growth, despite a worsening economic environment and increasingly challenging trading conditions. The Sanctuary, purchased in January 2008, also continues to perform well with a product range that represents excellent value in the current climate supported by brand innovation and a loyal consumer base.

In the first half of the year, trading across our Personal Care, Home Care and Electricals categories in Nigeria has been strong. The Nutrition business, which has experienced a significant rise in milk costs during the last twelve months, is anticipated to move into profitability in the second half of the financial year with costs now falling. At a macro level, Nigeria remains relatively less impacted from the effects of the global credit crunch, with the high oil price during the past year allowing the accumulation of significant foreign exchange reserves. In recent weeks, the Nigerian government budget for 2009 has been set at a similar level to actual expenditure in 2008, with both years’ budgets based on an oil price of \$40 to \$50 per barrel.

Major Projects

Construction of the Group’s ‘Personal Wash Centre of Excellence’ in Manchester is on schedule with the new production facility almost complete. Construction of the Research and Development and Fragrance Development Centres is also on schedule and will be completed early in 2009.

The two major investment projects in Nigeria are also on schedule. Firstly, Project Unity, which is the £39m investment in our broader supply chain facilities over the next three years, is well underway. And secondly, completion of the new Nutrition factory is on schedule for commissioning early in 2009.

Full year outlook

The outlook for the full year remains positive and in line with expectations despite the uncertain and volatile wider economic picture both in the UK and globally. The impact of rising raw material costs in the first half is expected to be mitigated by margin improvement initiatives together with lower raw material costs in the second half of the year.

Currencies are also volatile with a benefit to the group from the strengthening of the dollar versus sterling and an oncost from the depreciation of certain Asian and African currencies versus the dollar. The overall net impact will be a benefit to the Group based on these exchange rates continuing for the remainder of the year.

Overall, we remain cautiously optimistic for the full year outturn despite the uncertain global economic picture.

Directors

As part of the planned development of the senior management structure, Chris Davis, formerly Regional Director Africa, has now assumed the wider role of Commercial Director.

Interim Announcement

Interim results for the half year to 30 November 2008 will be announced on Tuesday 27th January 2009.

An analysts' presentation will be given at 9:30am on that day at the offices of Panmure Gordon, Moorgate Hall, 155 Moorgate, London EC2M 6XB.

For further information contact:

PZ Cussons Plc

Brandon Leigh – Finance Director
Graham Calder – Deputy Chairman

Tel: 0161 491 8000

Hogarth Partnership Limited

John Olsen / Anna Keeble

Tel: 020 7357 9477